

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

1

HOUSE BILL 175

Short Title: Ret. & Treasury Tech. Corrections Act of 2021.-AB (Public)

Sponsors: Representatives Gill, McNeill, and C. Smith (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State Government, if favorable, Pensions and Retirement, if favorable, Rules, Calendar, and Operations of the House

March 1, 2021

1 A BILL TO BE ENTITLED
2 AN ACT MAKING TECHNICAL CORRECTIONS AND OTHER CONFORMING AND
3 CLARIFYING CHANGES TO THE LAWS GOVERNING THE TEACHERS' AND
4 STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENT
5 COMMISSION, AND TO OTHER RELATED STATUTES.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. TECHNICAL CORRECTIONS TO RELATED STATUTES**

9 **SECTION 1.1.** G.S. 84-4.1 reads as rewritten:

10 "**§ 84-4.1. Limited practice of out-of-state attorneys.**

11 Any attorney domiciled in another state, and regularly admitted to practice in the courts of
12 record of and in good standing in that state, having been retained as attorney for a party to any
13 civil or criminal legal proceeding pending in the General Court of Justice of North Carolina, the
14 North Carolina Utilities Commission, the North Carolina Industrial Commission, the Office of
15 Administrative Hearings of North Carolina, or any administrative agency, may, on ~~motion,~~
16 motion to the relevant forum, be admitted to practice in that forum for the sole purpose of
17 appearing for a client in the proceeding. The motion required under this section shall be signed
18 by the attorney and shall contain or be accompanied by:

19 ...

20 (7) A fee in the amount of two hundred twenty-five dollars (~~\$225.00~~), of which
21 (~~\$225.00~~) submitted and made payable to one of the following: (i) for judicial
22 proceedings, the presiding clerk of court and (ii) for administrative
23 proceedings, the presiding administrative agency. The clerk of court or
24 administrative agency shall: (i) remit two hundred dollars (\$200.00) ~~shall be~~
25 ~~remitted~~ of the fee collected to the State Treasurer for support of the General
26 Court of Justice and Justice, and (ii) transmit twenty-five dollars (\$25.00) ~~shall~~
27 ~~be transmitted~~ of the fee collected to the North Carolina State Bar to regulate
28 the practice of out-of-state attorneys as provided in this section.

29"

30 **SECTION 1.2.** G.S. 116D-3 reads as rewritten:

31 "**§ 116D-3. Reports.**

32 ...

33 (b) Treasurer. – Upon issuance of university improvement general obligation bonds under
34 Article 2 of this Chapter or community college general obligation bonds under Article 4 of this



Chapter, the Treasurer shall forward a schedule of required payments of principal and interest over the life of the bonds to the Director of the Budget, with copies to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. ~~The Treasurer shall report to the Joint Legislative Commission on Governmental Operations by September 15 of each year, and more frequently as the Commission requests, on the university improvement general obligation bonds issued under Article 2 of this Chapter and community college general obligation bonds issued under Article 4 of this Chapter, including the annual debt service requirements over the remainder of the life of the bonds.~~

...."

PART II. TECHNICAL CORRECTIONS TO THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

SECTION 2.1. G.S. 135-3(8) reads as rewritten:

"(8) The provisions of this subsection (8) shall apply to any member whose membership is terminated on or after July 1, 1963 and who becomes entitled to benefits hereunder in accordance with the provisions hereof.

...

- c. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part time, temporary, interim, or on a fee for service basis, whether contractual or otherwise, except as provided in G.S. 120-32(1), and if such beneficiary earns an amount during the 12 month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars (\$20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year, except when the reemployment earnings exceed the amount above in the month of December, in which case the retirement allowance shall not be suspended. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (1/10 of 1%), provided that this percentage change is positive.

...."

SECTION 2.2. G.S. 161-50.2(a) reads as rewritten:

"§ 161-50.2. Assets.

(a) On and after October 1, 1987, each County Commission shall remit monthly to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of Chapter 161 of the General Statutes, to be deposited to the credit of the Registers of Deeds' Supplemental Pension Fund, hereinafter referred to as the Fund, to be used in making monthly pension payments to eligible retired registers of deeds under the provisions of this Article and to pay the cost of administering the provisions of this Article.

1 A County Commission's submission of these amounts to the Department of State Treasurer
2 constitutes a certification of the accuracy of these amounts."
3

4 **PART III. TECHNICAL CORRECTIONS TO LOCAL GOVERNMENT COMMISSION**
5 **STATUTES**

6 **SECTION 3.1.** G.S. 159-8 reads as rewritten:

7 **"§ 159-8. Annual balanced budget ordinance.**

8 (a) Each local government and public authority shall operate under an annual balanced
9 budget ordinance adopted and administered in accordance with this Article. A budget ordinance
10 is balanced when the sum of estimated net revenues and appropriated fund balances is equal to
11 appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and
12 investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash
13 receipts, as those figures stand at the close of the fiscal year next preceding the budget year. It is
14 the intent of this Article that, except for moneys expended pursuant to a project ordinance or
15 accounted for in an intragovernmental service fund or a trust and ~~agency-custodial~~ fund excluded
16 from the budget ordinance under G.S. 159-13(a), all moneys received and expended by a local
17 government or public authority should be included in the budget ordinance. Therefore,
18 notwithstanding any other provision of law, no local government or public authority may expend
19 any moneys, regardless of their source (including moneys derived from bond proceeds, federal,
20 state, or private grants or loans, or special assessments), except in accordance with a budget
21 ordinance or project ordinance adopted under this Article or through an intragovernmental
22 service fund or trust and ~~agency-custodial~~ fund properly excluded from the budget ordinance.

23"

24 **SECTION 3.2.** G.S. 159-13 reads as rewritten:

25 **"§ 159-13. The budget ordinance; form, adoption, limitations, tax levy, filing.**

26 (a) Not earlier than 10 days after the day the budget is presented to the board and not later
27 than July 1, the governing board shall adopt a budget ordinance making appropriations and
28 levying taxes for the budget year in such sums as the board may consider sufficient and proper,
29 whether greater or less than the sums recommended in the budget. The budget ordinance shall
30 authorize all financial transactions of the local government or public authority ~~except~~except the
31 following:

32 ...

33 (3) Those accounted for in a trust or ~~agency-custodial~~ fund established to account
34 for moneys held by the local government or public authority as an agent or
35 common-law trustee or to account for a retirement, pension, or similar
36 employee benefit system.

37 (4) Representative payee funds received under the Social Security Agency
38 Representative Payee Program. These restricted funds belong to and are used
39 for the support of minor children and certain adults.

40"

41 **SECTION 3.3.** G.S. 159-14 reads as rewritten:

42 **"§ 159-14. Trust and ~~agency-custodial~~ funds; budgets of special districts.**

43 ...

44 (b) Transfers from Certain Trust and ~~Agency-Custodial~~ Funds. – Except for transfers to
45 the appropriate special district or public authority, a unit of local government may not transfer
46 moneys from a fund established to account for taxes collected on behalf of a special district or
47 from a fund established to account for special assessments collected on behalf of a public
48 authority unless the special district or public authority has ceased to function."

49 **SECTION 3.4.** G.S. 159-26 reads as rewritten:

50 **"§ 159-26. Accounting system.**

51 ...

1 (b) Funds Required. – Each local government or public authority shall establish and
2 maintain in its accounting system such of the following funds and ledgers as are applicable to it.
3 The generic meaning of each type of fund or ledger listed below is that fixed by generally
4 accepted accounting principles.

5 ...

6 (7) Trust and ~~agency-custodial~~ funds, including a fund for each special district,
7 public authority, or school administrative unit whose taxes or special
8 assessments are collected by the unit.

9 (8) A ledger or group of accounts in which to record the details relating to the
10 ~~general-fixed-capital~~ assets of the unit or public authority.

11"

12 **SECTION 3.5.** G.S. 159-28 reads as rewritten:

13 **"§ 159-28. Budgetary accounting for appropriations.**

14 ...

15 (b) Disbursements. – When a bill, invoice, or other claim against a local government or
16 public authority is presented, the finance officer shall either approve or disapprove the necessary
17 disbursement. If the claim involves a program, function, or activity accounted for in a fund
18 included in the budget ordinance or a capital project or a grant project authorized by a project
19 ordinance, the finance officer may approve the claim only if both of the following apply:

20 (1) The finance officer determines the amount to be payable.

21 (2) The budget ordinance or a project ordinance includes an appropriation
22 authorizing the expenditure and either (i) an encumbrance has been previously
23 created for the transaction or (ii) an unencumbered balance remains in the
24 appropriation sufficient to pay the amount to be disbursed.

25 The finance officer may approve a bill, invoice, or other claim requiring disbursement from
26 an intragovernmental service fund or trust or ~~agency-custodial~~ fund not included in the budget
27 ordinance, only if the amount claimed is determined to be payable. A bill, invoice, or other claim
28 may not be paid unless it has been approved by the finance officer or, under subsection (c) of this
29 section, by the governing board. The finance officer shall establish procedures to assure
30 compliance with this subsection, in accordance with any rules adopted by the Local Government
31 Commission.

32"

33
34 **PART IV. EFFECTIVE DATE**

35 **SECTION 4.** This act becomes effective July 1, 2021.